

CRS Report for Congress

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Navy Trident Submarine Conversion (SSGN) Program: Background and Issues for Congress

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Summary

The Administration's proposed FY2005 defense budget requests \$642.9 million in procurement funding and \$20.0 million in research and development funding for the Navy's program to refuel and convert four Trident ballistic missile submarines (SSBNs) into cruise-missile-carrying and special operations forces (SOF) support submarines (SSGNs). The total estimated cost of the program, which has been increasing over time, is now \$4010.2 million. This report will be updated as events warrant.

Background

Trident Submarines. The Navy built 18 Ohio (SSBN-726) class nuclear-powered ballistic missile submarines (SSBNs) to serve as part of the U.S. strategic nuclear deterrent force. They are commonly called Trident submarines because they carry Trident submarine-launched ballistic missiles (SLBMs). The first Trident entered service in 1981, the 18th in 1997. The first 8 (SSBNs 726 through 733) were armed with Trident I (C4) SLBMs; the final 10 (SSBNs 734 through 743) were armed with larger and more powerful Trident II (D5) SLBMs. The boats were originally designed for a 30-year life but have now been certified for a 42-year life, composed of 20 years of operation, a two-year mid-life nuclear refueling overhaul, and then another 20 years of operation.

Origin of SSGN Conversion Concept. The Clinton Administration's 1994 Nuclear Posture Review (NPR) recommended a strategic nuclear force for the START II strategic nuclear arms reduction treaty that included 14 Tridents (all armed with D5 missiles) rather than 18.¹ As a result of this recommendation, there has been interest in

¹ Consistent with this recommendation, the 5th through 8th Tridents (SSBNs 730 through 733) are being converted to carry the same D5 missiles carried by the final 10 Tridents. These Trident D5 conversions need to be distinguished from the Trident SSGN conversions discussed in this report. The recommendation for a 14-boat force was made in expectation that the START II treaty would
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Congress and elsewhere since 1994 in the idea of converting the first 4 Trident SSBNs (SSBNs 726 through 729) into non-strategic submarines called SSGNs,² so as to make good use of the 20 years of potential operational life remaining in these four boats and bolster the U.S. attack submarine (SSN) fleet, which has been significantly reduced in recent years. The Bush Administration's 2002 NPR retained the idea of reducing the Trident SSBN force to 14 boats.

The SSGN conversion concept gained support from various observers.³ A few observers, notably naval author and analyst Norman Polmar, questioned the concept.⁴ The Navy in the late 1990s generally supported the SSGN concept in principle but also expressed concern over its ability to finance all four conversions while also funding other priorities. Congress, as part of its action on the proposed FY1999 defense budget, directed the Secretary of Defense to report on the issue to the congressional defense committees by March 1, 1999. The report was delivered to Congress in classified and unclassified form in June 1999. The Bush Administration has supported the program and highlighted it as an example of defense transformation.⁵

The Administration, in its amended FY2002 defense budget submitted to Congress in June 2001, requested funding to begin the refueling and conversion of SSBNs 727 and 729, and additional funding to begin the inactivation and dismantlement of SSBNs 726 and 728. Since the Administration, prior to submitting this budget, had highlighted the Trident SSGN concept as an example of its plans for defense transformation, it came as somewhat of a surprise, particularly to supporters of the SSGN concept, that the Administration requested funding to convert only two of the four Tridents.

¹ (...continued)

enter into force. The treaty has not entered into force. Section 1302 of the FY1998 defense authorization act prohibited U.S. strategic nuclear forces from being reduced during FY1998 below START I levels (including 18 Trident SSBNs) until the START II treaty entered into force. This prohibition was extended through FY1999 by Section 1501 of the FY1999 defense authorization act and was made permanent by Section 1501 of the FY2000 defense authorization act. The latter provision, however, also contained a section that would permit a reduction to 14 Trident SSBNs, even without START II entering into force, if the President certifies to Congress that this reduction would not undermine the effectiveness of U.S. strategic nuclear forces. For a general discussion of the START Treaties, see CRS Issue Brief IB98030, *Nuclear Arms Control: The U.S.-Russian Agenda*, by Amy F. Woolf.

² The G in SSGN stands for guided missile, a reference to the Tomahawk or some other non-strategic land attack missile.

³ See, for example, William P. Houley, "Making the Case for SSGNs," *U.S. Naval Institute Proceedings*, July 1999, pp. 47-49; Ernest Blazar, "A 'New Dimension' in Warfighting Capabilities," *Sea Power*, July 1999, pp. 37-40; Andrew Krepinevich, "The Trident 'Stealth Battleship,' An Opportunity for Innovation, CSBA Backgrounder, Feb. 24, 1999; Owen R. Jr. Cote, "How To Spend Defense Dollars," *Washington Times*, Jan. 15, 1999, p. 19.

⁴ See Norman Polmar, "A Submarine for All Seasons?" *U.S. Naval Institute Proceedings*, Aug. 1999, pp. 87-88, and Norman Polmar, "The Submarine Arsenal Ship," *The Submarine Review*, Jan. 1997, pp. 7-9.

⁵ For more on naval transformation, see CRS Report RS20851, *Naval Transformation: Background and Issues for Congress*, by Ronald O'Rourke.

Navy officials said that the decision to pursue a two-boat rather than four-boat SSGN conversion program was driven in part by Navy budget constraints. It was also explained that the deadline for committing to the refueling and conversion of SSBNs 726 and 728 on a timely basis⁶ had passed some time between late 2000 and June 2001. This also came as a surprise to some observers, since the Navy during the intervening months had not done much to publicize the impending deadline. The Navy later explained, however, that refueling and converting SSBNs 726 and 728 would still be possible if funds were provided in FY2002, though the schedule for planning and carrying out the operation would now be less than optimal. Congress, in marking up the FY2002 budget, increased funding for the program to the level the Navy said was needed to support a four-boat conversion program. The Administration in subsequent budgets has pursued the program as a four-boat effort.

Description of the Conversion. The Tridents as converted would carry up to 154 Tomahawk cruise missiles (or other non-strategic land attack missiles) and 66 Navy SEAL special operations forces (SOF) personnel.⁷ Each boat would retain its 24 large-diameter SLBM launch tubes but be modified as follows:

- SLBM tubes 1 and 2 would be altered to serve as lockout chambers for the SOF personnel. Each chamber would be equipped to connect to an Advanced SEAL Delivery System (ASDS) or Dry Deck Shelter (DDS).⁸ Other spaces aboard the submarine would be converted to berth and support 66 SOF personnel.
- Tubes 3 through 24 would be modified to carry 7 Tomahawks each, for a total of 154 Tomahawks. Alternatively, tubes 3 through 10 could be used to carry additional SOF equipment and supplies; leaving tubes 11 through 24 to carry 98 missiles.
- The Trident SLBM fire control systems would be replaced with tactical missile fire control systems, and certain other systems aboard the boats would be modernized.

In addition to these changes, each boat would undergo a mid-life engineering (nuclear) refueling overhaul (ERO). Without EROs, the boats would exhaust their nuclear fuel cores and have to be inactivated in the FY2003-FY2005 time frame.

Missions and Concept of Operations. Each SSGN would be operated with two crews, like SSBNs. As a result, for each two SSGNs, at least one would be on station in an overseas operating area at any one time. The boats would operate as forward-deployed, covert platforms for conducting strike (i.e., land attack) and SOF-support

⁶ As a matter of policy for ensuring the safety and reliability of nuclear propulsion, nuclear-powered ships with exhausted nuclear fuel cores are not permitted to wait any significant time between the exhaustion of their nuclear fuel cores and the completion of preparations to refuel them. If a ship cannot go immediately into a refueling operation, it is instead permanently inactivated. A decision to refuel a ship must therefore be made by a certain date prior to the refueling, so that the fuel cores and other equipment needed can be ordered and manufactured in time to be ready for installation when the ship comes into dry dock.

⁷ The Navy's SOF personnel are called SEALs, which stands for Sea, Air, and Land.

⁸ The ASDS is a new mini-submarine for Navy SEALs; the DDS is a less-capable predecessor.

missions. In the covert strike role, the boats could fulfill a substantial portion of the in-theater Tomahawk missile requirements that are established by regional U.S. military commanders, and thereby permit forward-deployed multimission Navy surface combatants and SSNs to concentrate on other missions. In their SOF-support role, the SSGNs would be functional replacements for the James K. Polk (SSN-645) and the Kamehameha (SSBN-642) — two older-generation SSBNs that were converted into SSNs specifically for supporting larger numbers of SOF personnel. The Polk was retired in 1999 at age 33; the Kamehameha was retired in 2002 at age 36. The report of the 2001 Quadrennial Defense Review, submitted to Congress in September 2001, directed the Secretary of the Navy to explore options for homeporting SSGNs in the Western Pacific.⁹ One candidate home port in this area is the U.S. island territory of Guam, where the Navy is in the midst of forward-homeporting three Los Angeles (SSN-688) class attack submarines.

Trident SSGNs and Navy Transformation. As mentioned earlier, the Bush Administration has highlighted the Trident SSGN program as an example of defense transformation, citing the conversion of a strategic-nuclear-forces platform into a non-strategic platform, the large number of cruise missiles that an SSGN will carry (which is several times the number that can be carried by a standard Navy attack submarine), and the large payload volume of the boats for carrying future advanced payloads. Some supporters of the program outside the Administration agree with this view. Other observers are less supportive of the notion that the SSGNs are transformational. They argue that Navy has converted older SSBNs into SOF-support submarines in the past, that the larger number of cruise missiles that the SSGNs will carry can be viewed as more of a quantitative difference than a qualitative one, and that funding the Trident SSGN program may actually have slowed the transformation of the Navy's submarine force by reducing the amount of funding available to the submarine community for research and development programs aimed at developing more radical and transformational changes to the Virginia-class attack submarine design.

The submarine community intends to increase the transformational value of the SSGNs by using them occasionally as at-sea test beds for conducting experiments on transformational ideas, such as using submarines as platforms for deploying large-diameter, highly capable unmanned underwater vehicles (UUVs). The issue of whether the Trident SSGN program is transformational can be considered separately from the issue of whether it is cost effective. Even if one judges the program not transformational, one might still judge it to be cost effective in terms of the capabilities it provides and in realizing a full, 42-year return on the original procurement cost of the boats.

Cost. As shown in **Table 1** below, the Navy estimates the total cost for refueling and converting four Tridents (including both research and development as well as procurement costs) at about \$4.0 billion, or about \$1 billion per boat. This figure represents a substantial increase over earlier cost estimates: The cost of a four-boat conversion program was estimated at about \$2.4 billion in 1999-2000, and \$3.3 billion to \$3.5 billion in 2001-2002. The estimated cost of a four-boat program has thus increased more than 60% since 1999-2000. Refueling and converting four Tridents would avoid a near-term expenditure of about \$440 million to inactivate and dismantle them.

⁹ U.S. Department of Defense, *Quadrennial Defense Review Report*, Sept. 30, 2001, p. 27.

The currently estimated net near-term additional cost to the budget to convert the 4 boats rather than inactivate and dismantle them is thus \$3.56 billion (\$4.0 billion less \$440 million), or about \$890 million per boat. DOD estimated in 1999 that the operating and support (O&S) cost for two SSGNs over 20 years would be \$1,645.3 million in constant FY1998 dollars, which equates to \$1,777.9 million in constant FY2005 dollars, or an average of about \$44.4 million per boat per year in constant FY2005 dollars. Using this figure, the total 20-year life-cycle cost for four Trident SSGNs (including research and development costs, annual operation and support costs, and eventual inactivation and dismantlement costs) would be roughly \$7.6 billion in constant FY2005 dollars.

Table 1. Funding for Trident SSGN Conversion Program
(by fiscal year, in millions of then-year dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
R&D	12.7	35.8	72.1	82.5	69.4	20.0	22.2	22.2	0	0	336.7
SCN	0	0	353.7	996.4	1,160.6	522.0	262.2	6.7	9.0	6.1	3316.7
OPN	0	0	0	108.5	0	120.9	0	0	127.4	0	356.8
Total	12.7	35.8	425.8	1,187.4	1,230.0	662.9	284.2	28.9	136.4	6.1	4010.2

Source: Navy Office of Legislative Affairs, Mar. 19, 2004. R&D is funding in the Navy's Research, Development, Test & Evaluation (RDT&E) appropriation account in program element (PE) 0603559N. SCN is procurement funding in the Navy's Shipbuilding and Conversion, Navy (SCN) account. OPN is procurement funding in the Navy's Other Procurement, Navy (OPN) account.

Schedule. The first Trident conversion, for SSBN-726, began in November 2002 and is to be completed in November 2005. The second, for SSBN-728, began in August 2003 and is to be completed in April 2006. The third, for SSBN-727, began in March 2004 and is to be completed in October 2006. The fourth, for SSBN-729, is to begin in March 2005 and be completed in September 2007. SSBNs 726 and 727 will be refueled and converted at the Puget Sound Naval Shipyard (PSNSY) at Bremerton, WA; SSBNs 728 and 729 will be refueled and converted at the Norfolk Naval Shipyard (NNSY) at Norfolk, VA. General Dynamics' Electric Boat Division (GD/EB) of Groton, CT and Quonset Point, RI, the designer and builder of all 18 Tridents, is the prime contractor for the program. GD/EB is the conversion execution integrator for all four boats and is managing the completion of conversion construction activities.

FY2004 Funding Request. As shown in **Table 1**, the Administration for FY2005 is requesting a total of \$662.9 for the program. This request will fund the conversion of the third SSBN into an SSGN and the refueling of the fourth boat. The conversion of the fourth boat is scheduled for FY2006.

Arms Control and "Phantom Warhead" Issue. On May 13, 2002, the Administration announced that it had reached an agreement with Russia on a new strategic nuclear arms treaty that would require each side to reduce down to 1,700 to 2,200 strategic nuclear warheads by 2012. The agreement appears to resolve, from the

U.S. perspective at least, a potential issue regarding the counting of “phantom” strategic nuclear warheads on converted Trident SSGNs.¹⁰

Oversight Issues for Congress

Potential oversight questions for Congress on the SSGN program include the following: Why has the estimated cost of a four-boat conversion program increased by more than 60% since 1999-2000? What is the likelihood that it will increase further? What Navy programs, if any, have had to be reduced to help finance the cost increases for the SSGN program? Is the Navy adequately funding programs for unmanned underwater vehicles (UUVs) and other advanced payloads so as to take full advantage of the SSGNs’ large payload capacity over their expected 20 years of service? What are the potential costs and merits of expanding the SSGN conversion program to include additional Trident SSBNs?

Legislative Activity For FY2005

The conference report (H.Rept. 108-622 of July 20, 2004) on the FY2005 defense appropriations bill (H.R. 4613) approves the Navy’s request for SCN funding for the Trident SSGN program (page 185), although it shows this request to be \$517.2 million rather than \$522 million as shown in **Table 1**.

¹⁰ Under the previous START strategic nuclear arms reduction treaties, the SSGNs would remain accountable as strategic nuclear launch systems because they would retain their large-diameter SLBM launch tubes. Four SSGNs, even though they carried no SLBMs, would be counted as carrying 96 Trident SLBMs each with 4 nuclear warheads, for a total of 384 warheads. Having to include 384 “phantom” warheads within the allowed START II U.S. strategic nuclear force of 3,500 warheads was viewed as problematic from a U.S. perspective, since it would deprive the United States of about 11% of its permitted warheads. The alternative of asking Russia to exempt SSGNs from the counting scheme was also viewed as problematic, since Russia would likely either refuse or ask for something significant in return. The phantom warhead issue would have been even more pronounced under a potential START III treaty that might have limited the United States to 2,500 or fewer nuclear warheads. The phantom warhead issue appeared to have receded for a time due to the Administration’s originally stated intention to not complete ratification of START II, and to instead reduce U.S. strategic nuclear forces unilaterally, without the use of new treaties. This would leave only the older START I treaty, with its much higher permitted nuclear force levels, as an in-force treaty against which the SSGNs could be counted. On February 5, 2002, however, Secretary of State Colin Powell announced that the United States was seeking a legally binding agreement with Russia on future levels of strategic nuclear weapons. This created a potential for the phantom warhead issue to once again become potentially relevant. The new U.S.-Russian arms treaty announced on May 13, 2002, resolves the issue from the U.S. perspective by counting only operationally deployed strategic nuclear warheads and not strategic nuclear launch systems. Since the SSGNs will not deploy strategic nuclear warheads, the Administration is excluding them from the treaty’s limit of 1,700 to 2,200 operationally deployed warheads. Russia to date has not publicly objected to this interpretation.